

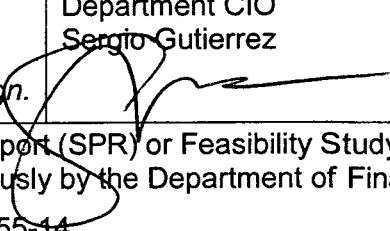
STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 0555	Department California Environmental Protection Agency	Priority No. 2
Budget Request Name 0555-002-BCP-BR-2016-GB		Program 0340-SUPPORT	Subprogram N/A

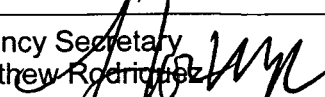
Budget Request Description
California Environmental Report System Application Support Resource

Budget Request Summary

The California Environmental Protection Agency is requesting funding of \$127,000 from the Unified Program Account for 1 permanent position to accommodate maintenance and operations workload for the California Environmental Report System. Workload needs for this position request have been provided through contractor resources for the previous 5 years.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Sergio Gutierrez 	Date 1-6-16
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input checked="" type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. 0555-14 Date: May 2008		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Sergio Gutierrez	Date 1-6-16	Reviewed By Alice Stebbins, Division Chief	Date
Department Director Eric Jarvis, Assistant Secretary	Date 1-6-16	Agency Secretary Matthew Rodriguez 	Date 1/6/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Original Signed By: Ellen Moratti	Date submitted to the Legislature
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Analysis of Problem

A. Budget Request Summary

The California Environmental Protection Agency (CalEPA) is requesting funding of \$127,000 for 1 permanent position (1 PY) to accommodate maintenance and operations workload for the California Environmental Report System (CERS). Workload needs for this position request have been provided through contractor resources for the previous 5 years, some which can be redirected to other EPA workload

B. Background/History

The Unified Hazardous Waste and Hazardous Materials Regulatory Management Program (Unified Program) protects Californians from hazardous waste and materials by ensuring consistency throughout the state with regard to administrative requirements, permits, inspections, and enforcement. CalEPA oversees the program as a whole, and the 82 certified local government agencies known as Certified Unified Program Agencies (CUPA). CUPAs coordinate and implement the standards set by five different state agencies.

CUPAs are local agencies that are certified by the Secretary of the CalEPA to implement the CalEPA Unified Program elements in the CUPA's jurisdiction. CUPAs have statutory authority to require permits, inspect facilities, issue citations for program violations, and perform enforcement actions. Furthermore, CalEPA's Unified Program ensures that facilities with large quantities of toxic gases have release prevention plans; that hazardous wastes are properly managed; that hazardous materials in facilities throughout California are accurately reported, cataloged, and disseminated to emergency responders and the public; and that above and underground tanks storing hazardous materials have adequate leak detection and containment equipment to protect the state.

Chapter 571, Statutes of 2008 (AB 2286) mandated that CalEPA develop and implement a statewide web based electronic reporting system that all regulated businesses and regulatory agencies would use. CalEPA's Unified Program reporting system, the California Environmental Reporting System (CERS), is a statewide web-based system that supports CUPAs in electronically collecting and reporting various hazardous materials-related data from California businesses as mandated by Federal and State laws and regulations. CERS was first implemented in 2010.

CERS electronic reporting scope includes program elements that cross CalEPA Boards, Departments and Offices (BDOs) and other State organizations including California Department of Forestry and Fire Protection Office of the Marshal and California Office of Emergency Services. CERS supports reporting under the following laws and regulations:

- California Environmental Reporting System (CERS)
California Health and Safety Code, Section 25404(e)
- California Unified Program
California Health and Safety Code, Chapter 6.95, Section 25511(a), Chapter 6.5, Section 25185(a)(5)) and Chapter 6.11, Sections 25404-25404.9. Title 27, Division 1, Subdivision 4, Chapter 1, Sections 15100-15620.
- Aboveground Petroleum Storage Tank Program (Department of Toxic Substances Control)
California Health and Safety Code, Division 20, Chapter 6.67, Sections 25270-25270.13.
- Area Plan Program/Business Plan Program (California Governor's Office of Emergency Services)
California Legislative Law, California Health and Safety Code, Division 20, Chapter 6.95, Article 1, Sections 25500-25519. Title 19, Division 2, Chapter 4, Sections 2620-2734
- California Accidental Release Prevention Program (California Governor's Office of Emergency Services)
California Legislative Law, California Health and Safety Code, Division 20, Chapter 6.95, Article 2, Sections 25531-25543.3. Title 19, Division 2, Chapter 4.5, Sections 2735-2785
- Hazardous Material Management Plan/Hazardous Inventory Statement Program (CalFire – Office of the Fire Marshal)

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California Legislative Law, California Health and Safety Code, Division 12, Part 2, Chapter 1 Sections 13143-13143.9. Title 24, California Fire Code, Part 9, Chapter 50, Sections 5001.5.1-501.5

- Hazardous Waste Generator/Tiered Permitting Program (Department of Toxic Substances Control)
California Legislative Law, California Health and Safety Code, Division 20, Chapter 6.5, Sections 25100-25258.2. Title 22, Division 4.5
- Underground Storage Tank Program (State Water Resources Control Board)
California Legislative Law, California Health and Safety Code, Division 20, Chapter 6.7, Sections 25280 – 25299.8. Title 23, Division 3, Chapter 16, Sections 2610-2729

The scope of reporting also includes compliance, monitoring and enforcement information required under Federal law.

Upon approval of FSR # 0555-14, CalEPA initiated project efforts in 2009, to enhance the system to meet additional federal mandates for all local governments and regulators to report electronically into CERS. That project effort required contracted resources to accomplish requirements for the Unified Program. This legislative electronic filing requirement resulted in CERS 2.0 Project.

CERS 2.0 software development efforts began in August 2010 and continued through until January 2012. Upon a successful production release, application development resources turned their efforts towards supporting external interfaces, CERS Electronic Data Transfer (EDT), for local regulator portals while supporting CERS 2.0 release code. Due to the complexity of the changes accomplished during CERS 2.0 Project efforts in the architecture and design, as well as the steadily increased support needs for businesses, CUPAs, and electronic data exchange, continued contractor resources was necessary to support the workload. CERS 2.0 Post Implementation Evaluation Report was submitted January 2015 to Department of Technology, Office of Technology Services.

Resource History (Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Authorized Expenditures	4,175	4,352	10,030	4,363	4,725	4,455
Actual Expenditures	3,807	4,309	9,346	2,066	N/A	N/A
Revenues	7,881	6,773	6,608	9,387	N/A	N/A
Authorized Positions	15	15	14	14	15	15
Filled Positions	13.7	13.8	12.2	10.9	13.4	15
Vacancies	1.3	1.2	1.8	3.1	1.6	0

Note: BCPs and Finance Letters from 2005 to 2008 created 6 permanent IT positions to manage the ongoing workload from electronic reporting. The budget cuts of 2008 eliminated one IT position

Workload History

Workload Measure	PY - 4 10/11	PY - 3 11/12	PY - 2 12/13	PY - 1 13/14	PY 14/15	CY 15/16
Contracted Application Support Positions	2	2	2	1	1	1
Contracted Application Support Average Monthly Hours	256	319	317	139	176	176
Contracted Application Support Months	9	7.5	12	12	12	12

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Yearly Contracted Application Support Costs	\$190,000	\$236,000	\$312,000	\$200,000	\$250,000	\$250,000
CERS 2.0 Production Stats						
Businesses Reporting	40,000	80,000	100,600	110,800	116,400	145,500
CUPAs Leveraging Electronic Data Exchange External Interface	No data	No data	32	50	60	63
Electronic Data Exchange External Interface End Points	No data	No data	84	208	276	285
Electronic Data Exchange Transactions (EDT)	No data	0	8,250	167,700	637,200	732,700
CERS Maintenance Releases	0	12	24	24	27	27

C State Level Considerations

Converting this operation need, from contracted resources to a state employee, aligns with California Department of General Services policy that states civil servants, as opposed to private companies, can satisfactorily perform application support services as demonstrated by existing CERS Senior Programmers.

Under Federal and State laws and regulations, Californian's health and safety is protected through the oversight of regulated business that report chemical and hazardous material/waste into CERS. CUPAs rely on CERS as a tool for regulating businesses that store, treat, and dispose of hazardous material and waste. Maintaining CERS at an appropriate level of support is essential for businesses, CUPAs, state and federal stakeholders to ensure the health and safety of Californians

D. Justification

As previously outlined, under law all regulated California businesses and CUPAs are required to report into CERS required Unified Program information previously provided through paper forms. This includes facility information of hazardous material regulatory activities, chemical inventories, underground and aboveground storage tanks, and hazardous waste generation. CUPAs must rely on information report in CERS for regulatory activities associated with verifying business are accurately storing, handling and managing these hazardous materials and chemical inventories. CUPAs also rely on CERS for verifying businesses are reporting, cataloging, and reporting required regulatory information. CUPAs also utilize data reported for regulatory activities associated with leak detection and containment equipment of above and underground tanks storing hazardous materials in their efforts to protect precious ground water.

Since the implementation of CERS in 2010, 116,400 facilities have reported regulatory information. While this represents a large universe of regulated California facilities, it does not represent the whole scope of regulated businesses. It is estimated by 2017, that there will be over 160,000 regulated businesses in California reporting into CERS. Application support is also necessary for CUPAs that leverage electronic data transfer of regulatory information from local CUPA systems to CERS. CERS resources provide support for electronic data transfers, as well as continued ongoing support needs of 285 established interfaces. Over the next several years, CUPAs will continue to work with CERS application support resources to establish external interface end points. These interfaces are anticipated to grow to over 400. Once these interfaces counts reach their potential capacity, CERS end point transactions will grow from 732,700 to over 1 million.

As more users engage, the number of interfaces and end points transactions grow, and regulations change, application defects and change requests will arise. Historically, there are at least 2 application

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maintenance releases a month. Taking into consideration the growing number of facilities reporting, external interfaces being established, it is expected that maintenance release trends will continue to sustain in the manner provided in previous years.

As described, the workload facets of CERS will continue to increase over several years and application support resources in place today will be required to maintain CERS. Today, contracted staff assists with CERS application support, if this resource need was converted from a contracted position to a state employee, it will result in savings to California while continuing to sustain a legislatively mandated reporting system that supports Federal and State health and safety programs.

Continuing to engage in contracted resources for application support would not align with California Government Code Section 19130-19135, which states personal services contracts are permitted if it results in an overall savings for the State. Currently, a contracted resource for CERS application support is costing more than an employee annually, \$250,000 versus \$154,000, respectively. In previous years, contract services were needed due to the lack of qualified staff required for application support. On the contrary, during the last year new staff have been hired to fill existing budgeted application support positions and proved to be successful in supporting CERS. This success demonstrates that state employees can meet the qualifications required of this new position request and CalEPA will no longer need to rely on qualifications from contracted resources to support CERS. This approach also aligns with California Department of General Services policy that states civil servants, as opposed to private companies, can satisfactorily perform application support services as demonstrated by existing CERS Senior Programmers.

E. Outcomes and Accountability

Since project implementation efforts completed 2012, contractor resources have been required to sustain operational needs of CERS including application and data exchanges e.g. external interfaces. This operational need has resulted in CalEPA incurring over \$1.2 million in vendor contract costs since October 2010. If a State Senior Programmer Analyst supports the ongoing workload needs, approximately \$93,000 can be saved per fiscal year, resulting in approximately \$465,000 of savings over 5 budget years.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Contracted Application Support Position	1	1	0	0	0	0
Contracted Application Support Average Monthly Hours	176	176	0	0	0	0
Contracted Application Support Contracted Months	12	12	0	0	0	0
Contracted Application Support Yearly Costs	\$250,000	\$250,000	0	0	0	0
Businesses Reporting	116,400	145,500	160,000	160,000	160,000	160,000
CUPAs Leveraging Electronic Data	63	65	67	69	71	73

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Exchange External Interface						
Electronic Data Exchange External Interface End Points	285	300	350	403	415	441
Electronic Data Exchange Transactions	732,700	806,000	886,000	975,000	1,072,000	1,180,000
CERS Maintenance Releases	27	27	27	27	27	27

F. Analysis of All Feasible Alternatives

Alternative #1 – Approve 1 additional permanent position for CERS ongoing maintenance and operations

Securing 1 permanent position will meet the ongoing support requirements of CERS operations and electronic data exchange. This approach will save costs currently being incurred for contracted resource while supporting the State of California work force policy initiatives.

Alternative #2 – Obtain 1 loaned position from a CalEPA Boards, Departments or Office (BDOs)

When resource needs arise for the Office of the Secretary, Agency can seek resource support from one of the BDOs. Most often that supports comes in the form of borrowed staff positions from one of the BDOs. Due to the eminent environmental challenges of California, including severe drought conditions, greenhouse gas initiatives, emergency pesticide regulations, hazardous waste regulatory requirements, and many more environmental priorities, all available BDO IT resources have been consumed and allocated within their own department. As a result of these workload challenges, the BDOs cannot afford to loan an IT staff position to Agency.

Alternative #3 – Approve funding of \$500,000 for contractor services for 2 years ongoing maintenance and operations of CERS

Obtaining a contracted resource will achieve requirements for resource workload but continues to cost the state more than what a state resource would. Current CERS programmers have been mentored to support the application and have successfully proven that state employees do have skillset that can be applied to satisfactorily perform application support services required for CERS maintenance, therefore obtaining contractor would oppose DGS policy.

Alternative #4 – Do nothing

If nothing is done to sustain a position, maintenance and operations of CERS will be negatively affected. Discovered system defects may not be addressed in a timely manner and will potentially affect the ability for businesses to report and CUPAs to enforce necessary regulatory laws. If businesses are unable to report hazardous materials and waste stored at their facilities, the health and safety of Californians could be at risk. If CUPAs are unable to perform necessary duties to ensure businesses are managing hazardous materials and waste properly, it will result in potential risks to the health and safety of Californians.

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G. Implementation Plan

Major Milestones for implementing the proposed solution include:

Task Name	Duration	Start	Finish
Funding (Budget Enactment, Funding)	2 months	6/01/2016	7/29/2016
Hiring Senior Programmer Analyst	2 months	8/01/2016	9/30/2016
CERS Lead Senior Programmer Mentoring	2 months	10/03/2016	12/30/2016
NEW CERS Senior Programmer Supports Workload	Ongoing	1/02/2017	ongoing

H. Supplemental Information

I. Recommendation

Alternative #1 is the recommended solution. This will allow CalEPA achieve cost savings of approximately \$465,000 over 5 years, while continuing to provide the level of service required for maintenance and operations of CERS and support of CUPA electronic data exchange external interfaces.

BCP Fiscal Detail Sheet

BCP Title: California Environmental Report System (CERS)

DP Name: 0555-102-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	70	70	70	70	70
Total Salaries and Wages	\$0	\$70	\$70	\$70	\$70	\$70
Total Staff Benefits	0	33	33	33	33	33
Total Personal Services	\$0	\$103	\$103	\$103	\$103	\$103
Operating Expenses and Equipment						
5301 - General Expense	0	2	2	2	2	2
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	2	2	2	2	2
5320 - Travel: In-State	0	4	4	4	4	4
5322 - Training	0	1	1	1	1	1
5324 - Facilities Operation	0	10	10	10	10	10
5346 - Information Technology	0	4	4	4	4	4
Total Operating Expenses and Equipment	\$0	\$24	\$24	\$24	\$24	\$24
Total Budget Request	\$0	\$127	\$127	\$127	\$127	\$127

Fund Summary

Fund Source - State Operations						
0028 - Unified Program Account	0	127	127	127	127	127
Total State Operations Expenditures	\$0	\$127	\$127	\$127	\$127	\$127
Total All Funds	\$0	\$127	\$127	\$127	\$127	\$127

Program Summary

Program Funding						
0340 - Support	0	127	127	127	127	127
Total All Programs	\$0	\$127	\$127	\$127	\$127	\$127

Personal Services Details

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
1584 - Sr Programmer Analyst (Supvr) (Eff. 07-01-				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions				0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
1584 - Sr Programmer Analyst (Supvr) (Eff. 07-01-	0	70	70	70	70	70			
Total Salaries and Wages	\$0	\$70	\$70	\$70	\$70	\$70			
Staff Benefits									
5150350 - Health Insurance	0	10	10	10	10	10			
5150500 - OASDI	0	6	6	6	6	6			
5150600 - Retirement - General	0	17	17	17	17	17			
Total Staff Benefits	\$0	\$33	\$33	\$33	\$33	\$33			
Total Personal Services	\$0	\$103	\$103	\$103	\$103	\$103			